

### **§ 719.33**

with no overhead or surcharge adjustments.

#### **§ 719.33 What categories of costs are unallowable?**

(a) Specific categories of unallowable costs are contained in the cost principles at 48 CFR (FAR) part 31 and 48 CFR (DEAR) part 931 and 970.31. See also 41 U.S.C. 256(e).

(b) The Department does not consider for reimbursement any costs incurred for entertainment or alcoholic beverages. See 48 CFR (FAR) 31.205-14 and 31.205-51 and 41 U.S.C. 256(e).

(c) Costs that are customarily or already included in billed hourly rates are not separately reimbursable.

(d) Interest charges that a contractor incurs on any outstanding (unpaid) bills from retained legal counsel are not reimbursable.

#### **§ 719.34 What is the treatment for travel costs?**

Travel and related expenses must at a minimum comply with the restrictions set forth in 48 CFR (FAR) 31.205-46, or 48 CFR (DEAR) 970.3102-05-46, as appropriate, to be reimbursable.

#### **§ 719.35 What categories of costs require advance approval?**

Costs for the following require specific justification or advance written approval from Department counsel to be considered for reimbursement:

(a) Computers or general application software, or non-routine computerized databases specifically created for a particular matter;

(b) Charges for materials or non-attorney services exceeding \$5,000;

(c) Secretarial and support services, word processing, or temporary support personnel;

(d) Attendance by more than one person at a deposition, court hearing, interview or meeting;

(e) Expert witnesses and consultants;

(f) Trade publications, books, treatises, background materials, and other similar documents;

(g) Professional or educational seminars and conferences;

(h) Preparation of bills or time spent responding to questions about bills from either the Department or the contractor;

### **10 CFR Ch. III (1-1-04 Edition)**

(i) Food and beverages when the attorney or consultant is not on travel status and away from the home office; and

(j) Pro hac vice admissions.

#### **§ 719.36 Who at the Department must give advance approval?**

If advance approval is required under this part, the advance approval must be obtained from the Department counsel unless the Department counsel indicates that approval of a request may only be given by the contracting officer.

#### **§ 719.37 Are there any special procedures or requirements regarding subcontractor legal costs?**

(a) The contractor must have a monitoring system for subcontractor legal matters likely to reach \$100,000 over the life of the matter. The purpose of this system is to enable the contractor to perform the same type of analysis and review of subcontractor legal management practices that the Department can perform of the contractor's legal management practices. The monitoring is intended to enable the contractor to keep the Department informed about significant subcontractor legal matters, including significant matters in litigation. The burden is on the prime contractor to be responsive to questions raised by the Department concerning significant subcontractor legal matters.

(b) Contractors must submit information copies of subcontractor invoices for legal services to Department counsel.

#### **§ 719.38 Are costs covered by this part subject to audit?**

All costs covered by this part are subject to audit by the Department, its designated representative or the General Accounting Office. See § 719.21.

#### **§ 719.39 What happens when more than one contractor is a party to a matter?**

(a) If more than one contractor is a party in a particular matter and the issues involved are similar for all the contractors, a single legal counsel designated by the General Counsel must either represent all of the contractors